

FISCAL MEMORANDUM

SB 941 – HB 1733

April 20, 2007

SUMMARY OF AMENDMENT (005402): Deletes the language of the original bill. Authorizes public school teachers to receive a 25% tuition discount on tuition and fees for one course per term at any state-supported institution of higher education. Enrollment privileges are limited to space availability. Requires the Department of Education to administer a program of grants on a first-come, first-served basis to fund such tuition discounts for teachers.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$7,314,400 FY07-08
\$7,605,700 FY08-09

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - \$379,000 FY07-08
\$395,000 FY08-09
\$120,000/Dept. of Education

Assumptions applied to amendment:

- Lost revenues to higher education institutions would be replaced with state funds rather than higher tuition and fees.
- An estimated 5% of teachers will participate in the program at any given time.
- An estimated 3,035 FTE (60,691 x 5% participation rate) teachers would take a course each year.
- The cost of the program will be similar to the cost of the dependents of teachers discount program.
- The cost of the tuition discount program is \$484 per FTE student. The 25% tuition discount for the one course is \$125.
- First year costs (FY07-08) are estimated to be \$379,375 (\$125 discount x 3,035 FTE teachers).
- Second year costs (FY08-09) are estimated to be \$394,550 (\$130 discount x 3,035 FTE teachers).
- Tuition is estimated to increase at a rate of 4% per year.
- According to the Department of Education, two additional staff positions will be required to administer the program of grants. This estimate

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assumes a cost of approximately \$120,000 for salary and benefits for one professional staff position (75,000) and one administrative assistant (\$45,000).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly distinguishable.

James W. White, Executive Director

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